STATE BONDING FUND **INVESTMENT PERFORMANCE REPORT AS OF MAY 31, 2006**

Γ																			Current	Prior Year	3 Years	5 Years		
-	May-06 Allocation Month			April-06 Allocation Month				March-06 Allocation Quarter				December-05 Allocation Quarter				September-05 Allocation Quarter				FYTD	FY05	Ended	Ended	
	Market Value			Month Net ROR	Market Value				Market Value			Quarter Net ROR	Market Value			Quarter Net ROR	Market Value				Net	Net	6/30/2005 Net	6/30/2005 Net
LARGE CAP DOMESTIC EQUITY Structured Growth Los Angeles Capital	71,593	2.6%	2.8%		77.183	2.8%	2.8%	0.31%	76,812	2.8%	2.8%	4.95%	76,107	2.9%	2.8%	3.06%	77,294	2.9%	2.8%	5.46%	10.77%	7.56%	N/A	N/A
Total Structured Growth Russell 1000 Growth	71,593	2.6%	2.8%		77,183	2.8%	2.8%		76,812	2.8%	2.8%	4.95% 4.95% 3.09%	76,107 76,107	2.9%	2.8%	3.06% 2.98%	77,294 77,294	2.9%	2.8%	5.46% 4.01%	10.77% 6.54%	7.56% 7.56% 1.68%	7.46% 7.26%	-9.18% -10.36%
Structured Value																					0.0770			
LSV	75,837	2.8%	2.8%		77,314	2.8%	2.8%		79,531	2.9%	2.8%	6.53%	73,722	2.8%	2.8%	1.52%	77,827	2.9%	2.8%	5.06%	13.77%	18.35%	14.73%	14.78%
Russell 1000 Value				-2.53%				2.54%				5.93%				1.27%				3.88%	11.39%	14.06%	11.00%	6.55%
Russell 1000 Enhanced Index LA Capital	139.521	5.2%	5.6%	-3.31%	143.310	5.2%	5.6%	0.41%	142.541	5.2%	5.6%	4.96%	151.184	5.7%	5.6%	2.29%	154.375	5.8%	5.6%	6.45%	10.97%	7.93%	N/A	N/A
Russell 1000	100,021	0.270	0.070	-2.95%	140,010	0.270	0.070	1.20%	142,041	J.2 /0	0.070	4.49%	101,104	0.1 /0	0.070	2.12%	104,010	0.070	0.070	3.95%	8.94%	7.92%	N/A	N/A
S&P 500 Enhanced Index																								
Westridge	164,779	6.1%	5.6%		168,485	6.1%	5.6%	1.36%	166,031	6.1%	5.6%	4.25%	157,261	5.9%	5.6%	2.10%	149,468	5.6%	5.6%	3.64%	8.61%	6.58%	N/A	N/A
S&P 500				-2.88%				1.34%				4.21%				2.09%				3.60%	8.48%	6.32%	N/A	N/A
Index State Street	50,509			-2.89%	51,653			1.34%	50,916			4.19%	48,257			2.07%	49,517			3.58%	8.41%	6.27%	8.22%	-2.45%
Total Index	50,509	1.9%	1.9%		51,653	1.9%	1.9%	1.34%	50,916	1.9%	1.9%	4.19%	48,257	1.8%	1.9%	2.07%	49,517	1.9%	1.9%	3.58%	8.41%	6.27%	8.22%	-2.45%
S&P 500	,			-2.88%	,,,,,,			1.34%	, .			4.21%	,			2.09%	.,-			3.60%	8.48%	6.32%	8.28%	-2.37%
TOTAL LARGE CAP DOMESTIC EQUITY	502,240	18.6%	18.8%	-3.01%	517,945	18.9%	18.8%	1.17%	515,830	18.9%	18.8%	4.88%	506,531	19.0%	18.8%	2.20%	508,482	19.0%	18.8%	4.97%	10.40%	8.89%	9.59%	-0.28%
S&P 500				-2.88%				1.34%				4.21%				2.09%				3.60%	8.48%	6.32%	8.28%	-2.37%
SMALL CAP DOMESTIC EQUITY Manager-of-Managers																								
SEI	161,520	6.0%	6.3%		171,220	6.2%	6.3%	0.28%	176,684	6.5%	6.3%	13.21%	170,567	6.4%	6.3%	0.95%	168,733	6.3%	6.3%	5.46%	14.08%	9.32%	13.32%	N/A
Russell 2000 + 200bp				-5.45%				0.15%				14.49%				1.64%				5.21%	15.93%	11.64%	15.07%	N/A
TOTAL SMALL CAP DOMESTIC EQUITY Russell 2000	161,520	6.0%	6.3%	-5.62% -5.62%	171,220	6.2%	6.3%	0.28% -0.02%	176,684	6.5%	6.3%	13.21% 13.94%	170,567	6.4%	6.3%	0.95% 1.13%	168,733	6.3%	6.3%	5.46% 4.69%	14.08% 13.84%	9.32% 9.45%	13.32% 12.81%	5.50% 5.71%
INTERNATIONAL EQUITY Large Cap - Active																								
Capital Guardian LSV	100,185 105,432	3.7% 3.9%	4.0% 4.0%		110,332 114.898	4.0% 4.2%	4.0% 4.0%	2.35% 3.09%	110,026 114,282	4.0% 4.2%	4.0% 4.0%	7.18% 11.19%	121,236 107.658	4.5% 4.0%	4.0% 4.0%	9.64% 4.29%	112,860 113.701	4.2% 4.2%	4.0% 4.0%	12.11% 11.20%	27.52% 27.31%	10.32% N/A	7.44% N/A	-3.80% N/A
Total Large Cap - Active	205,617	7.6%	8.0%		225,231	8.2%	8.0%	2.73%	224,308	8.2%	8.0%	9.17%	228,894	8.6%	8.0%	6.96%	226,561	8.5%	8.0%	11.67%	27.49%	13.23%	12.39%	7.26%
MSCI EAFE - 50% Hedged				-4.66%	,			2.85%				9.20%	·			5.84%				11.07%	25.88%	14.41%	8.84%	-2.61%
Small Cap - Value Lazard	27,201	1.0%	1.0%	-5.10%	28.546	1.0%	1.0%	4.70%	29.461	1.1%	1.0%	10.94%	26,883	1.0%	1.0%	3.01%	27,176	1.0%	1.0%	9.94%	24.84%	18.18%	N/A	N/A
Citigroup Broad Market Index < \$2BN	27,207	11070	11070	-5.40%	20,010	11070	11070	4.70%	20,101	,	11070	9.34%	20,000	11070	11070	8.94%	2.,	11070	,	12.05%	32.18%	21.33%	N/A	N/A
Small Cap - Growth		4.40/	4.00/	4.000/		4.407	4.00/	E 500/	22 122	4.00/	4.00/	40 700/		4.00/	4.00/	4.000/		4.00/	4.00/	40 440/	00.440/	04.440/		
Vanguard Citigroup Broad Market Index < \$2BN	29,004	1.1%	1.0%	-4.93% -5.40%	30,388	1.1%	1.0%	5.50% 4.70%	28,480	1.0%	1.0%	13.70% 9.34%	27,756	1.0%	1.0%	4.92% 8.94%	27,496	1.0%	1.0%	10.41% 12.05%	32.11% 32.18%	24.11% 21.33%	N/A N/A	N/A N/A
TOTAL INTERNATIONAL EQUITY	261,823	9.7%	10.0%		284,165	10.4%	10.0%	3.22%	282,248	10.3%	10.0%	9.81%	283,532	10.6%	10.0%	6.37%	281,233	10.5%	10.0%	11.37%	27.75%	15.34%	10.62%	-2.10%
MSCI EAFE - 50% Hedged	201,020	011 / 0	101070	-4.66%	201,100	101170	70,070	2.85%	202,270	70,070	70.075	9.20%	200,002	101070	101070	5.84%	201,200	101070	70.070	11.07%	25.88%	14.41%	8.84%	-2.61%
DOMESTIC FIXED INCOME Core Bond																								
Western Asset	517,904	19.2%	18.3%		517,923	18.9%	18.3%		512,171	18.8%	18.3%	-0.44%	498,621	18.7%	18.3%	0.28%	497,705	18.6%	18.3%	-0.41%	-1.12%	7.14%	7.36%	8.59%
Lehman Aggregate				-0.11%				-0.18%				-0.65%				0.59%				-0.67%	-1.02%	6.80%	5.75%	7.40%
Index Bank of ND	467.198	17.3%	10 20/	0.06%	463.214	16 00/	18.3%	-0.32%	458.453	16 00/	18.3%	-0.95%	448.616	16.8%	10 20/	0.56%	460.176	17.2%	10 20/	-0.72%	-1.38%	4.59%	5.83%	7.36%
Lehman Gov/Credit (1)	407,190	17.3/0	10.3 /0	-0.06%	403,214	10.5/6	10.3 /6	-0.32 %	430,433	10.0 /6	10.3 /6	-1.01%	440,010	10.0 /	10.3 /6	0.60%	400,170	17.2/0	10.3 /6	-0.72%	-1.74%	4.80%	5.82%	7.35%
BBB Average Quality																								
Wells Capital (formerly Strong) Lehman US Credit BAA	517,698	19.1%	18.3%	-0.35% -0.41%	515,512	18.8%	18.3%	-0.39% -0.36%	510,456	18.7%	18.3%	-1.02% -1.20%	497,583	18.7%	18.3%	0.58% 0.39%	492,054	18.4%	18.3%	-1.05% -0.97%	-2.21% -2.53%	9.14% 8.60%	9.20% 9.42%	N/A N/A
TOTAL DOMESTIC FIXED INCOME Lehman Aggregate (2)	1,502,800	55.6%	55.0%	-0.21% -0.11%	1,496,649	54.5%	55.0%	-0.31% -0.18%	1,481,080	54.3%	55.0%	-0.79% -0.65%	1,444,819	54.2%	55.0%	0.46% 0.59%	1,449,935	54.2%	55.0%	-0.73% -0.67%	-1.58% -1.02%	6.14% 7.26%	6.59% 6.41%	7.79% 7.70%
CASH EQUIVALENTS																								
Bank of ND	275,037	10.2%	10.0%		274,012	10.0%	10.0%	0.37%	273,636	10.0%	10.0%	1.17%	259,717	9.7%	10.0%	1.07%	267,314	10.0%	10.0%	0.93%	4.06%	2.46%	1.74%	2.68%
90 Day T-Bill				0.43%				0.34%				1.03%				0.92%				0.83%	3.60%	2.15%	1.55%	2.62%
TOTAL BONDING FUND POLICY TARGET BENCHMARK	2,703,420	100.0%	100.0%	-1.49% -1.37%	2,743,992	100.0%	100.0%	0.44% 0.47%	2,729,478	100.0%	100.0%	2.39% 2.29%	2,665,167	100.0%	100.0%	1.42% 1.48%	2,675,696	100.0%	100.0%	2.15% 1.78%	4.95% 4.69%	6.62% 6.74%	8.00% 6.64%	4.21% 3.83%

NOTE: Monthly returns and market values are preliminary and subject to change.

⁽¹⁾ From April 1, 2004, through June 30, 2005, the benchmark was the LB Intermediate Govt/Credit index. (2) Prior to July 1, 2005, the benchmark was LB Govt/Credit Index.